CHECKLIST ENVIRONMENTAL ASSESSMENT

Project Name:	Proposed Oil Well- #1 Vecta State 12-34
Proposed Implementation Date:	Summer 2019
Proponent:	True Oil LLC, PO Drawer 2360, Casper, WY 82602
Location:	SW¼NW¼, Section 34, T37N, R3W 1995' FNL and 543' FWL
County:	Toole
Trust:	Common Schools

I. TYPE AND PURPOSE OF ACTION

True Oil has requested permission to drill an oil well on State Land. The vertical well will be drilled into the Madison formation at a total depth of 2,600 feet. The proposed wildcat well is located on classified grazing land. A 300' X 250' drilling pad and 3,600 feet of access road will be constructed. A single rig will drill the well. If sufficient quantities of oil are present, then commercial well sites will be developed. If tests indicate that commercial quantities of recoverable oil are not present, then the well will be plugged and reclaimed in conformance with standards approved by the Montana Board of Oil and Gas Conservation.

II. PROJECT DEVELOPMENT

1. PUBLIC INVOLVEMENT, AGENCIES, GROUPS OR INDIVIDUALS CONTACTED:

Provide a brief chronology of the scoping and ongoing involvement for this project.

True Oil LLC -Lessee and Operator
DNRC-Surface and Mineral Owner
Montana Board of Oil and Gas Conservation

2. OTHER GOVERNMENTAL AGENCIES WITH JURISDICTION, LIST OF PERMITS NEEDED:

Montana Board of Oil and Gas Conservation permit form 22 has been approved for the well. True Oil has the State of Montana Oil and Gas lease #OG-43410-17 associated with this state land. DNRC is not aware of any other agencies with jurisdiction or other permits needed to complete this project.

3. ALTERNATIVES CONSIDERED:

Alternative A (No Action) – Deny True Oil LLC permission to build the access road and drill the oil well.

Alternative B (the Proposed action) – Grant True Oil LLC permission to build the access road and drill the oil well using the Conrad Unit Office's recommendations to minimize adverse environmental impacts.

III. IMPACTS ON THE PHYSICAL ENVIRONMENT

- *RESOURCES potentially impacted are listed on the form, followed by common issues that would be considered.*
- *Explain POTENTIAL IMPACTS AND MITIGATIONS following each resource heading.*
- *Enter "NONE" If no impacts are identified or the resource is not present.*

4. GEOLOGY AND SOIL QUALITY, STABILITY AND MOISTURE:

Consider the presence of fragile, compactable or unstable soils. Identify unusual geologic features. Specify any special reclamation considerations. Identify any cumulative impacts to soils.

Soils at the proposed well sites are silty to clayey in texture and a deep top soil layer (A horizon) is present. The well site pad and access road will require dirt work for vertical and horizontal leveling. Area topography varies from flat to steeper slopes. Leveling will require 1 to 17 feet of cut and 1 to 15 feet of fill. The top 12 inches of soil will be removed from the well site and road and stock piled for reclamation purposes. Cut and fill areas will be graded to 2 to 1 sloped to reduce erosion. The access road will have a 15 feet wide running surface and the slope will be 8% mamimum. Road improvements will be held to a minimum during drilling and completion. The proposed action may cause localized areas of soil erosion and compaction from the manipulation of vehicles and equipment on the surface. Silt fence on the downhill side of the well pad and water bars on the access road will be utilized to minimize erosion. Culverts will be used in coulee bottoms to provide water drainage. No long-term negative impacts on the soil resources are expected. Should a dry hole be drilled all disturbed surfaces will be recontoured and reseeded. If a producting well is developed, the well site foot print will be minimized and the access road will be improved for year around travel.

5. WATER QUALITY, QUANTITY AND DISTRIBUTION:

Identify important surface or groundwater resources. Consider the potential for violation of ambient water quality standards, drinking water maximum contaminant levels, or degradation of water quality. Identify cumulative effects to water resources.

The well is not located near any water sources, reservoirs or wells. The proponent will be required to protect the previously stated water ways by installing a silt fence around the east site of the well pad to help protect surface water.

Other water quality and/or quantity issues will not be impacted by the proposed action.

6. AIR QUALITY:

What pollutants or particulate would be produced? Identify air quality regulations or zones (e.g. Class I air shed) the project would influence. Identify cumulative effects to air quality.

Dirt work associated with drilling operations and general vehicle traffic on area road will generate airborne dust. These activities will minimally affect air quality for a very limited amount of time. No cumulative effects to air quality are anticipated.

7. VEGETATION COVER, QUANTITY AND QUALITY:

What changes would the action cause to vegetative communities? Consider rare plants or cover types that would be affected. Identify cumulative effects to vegetation.

A 300' X 250' well pad and 3,600 feet of access road will be impacted by ground leveling, the removal of topsoil and the manipulation of vehicles on the ground surface. The proponent will be responsible for annual and noxious weeds that may arise from implementing this proposed action. The site will be returned to grazing land following site reclamation. The proposed action will impact a small portion of the landscape. Should a dry hole be drilled, all disturbed surfaces will be recontoured and reseeded as indicated below. If a producing well is developed, the well site foot print will be minimized and the access road will be improved for year around travel.

Following drilling operations disturbed areas will be will be reclaimed and reseeded with the following species: western wheatgrass 35%, slender wheatgrass 35%, blue bunch wheatgrass 15%, green needle grass, 10%, and Lewis blue flax 5%. The seeding rate will be 7 lbs/acre if drilled and 14 lbs/acre if broadcast seeded.

A review of Natural Heritage data through the NRIS was conducted for T37N, R3W. There was no species of concern.

8. TERRESTRIAL, AVIAN AND AQUATIC LIFE AND HABITATS:

Consider substantial habitat values and use of the area by wildlife, birds or fish. Identify cumulative effects to fish and wildlife.

The area is not considered critical wildlife habitat. However, this tract provides habitat for a variety of big game species (mule deer, whitetail deer, and pronghorn antelope), predators (coyote, fox, and badger), upland game birds (sharp tail grouse, Hungarian partridge), other non-game mammals, raptors and various songbirds. The proposal does not include any land use change which would yield changes to the wildlife habitat. The proposed action will not impact wildlife forage, cover, or traveling corridors. Nor will this action change the juxtaposition of wildlife forage, water, or hiding and thermal cover. Wildlife usage is expected to return to "normal" (pre-action usage) following the drilling operations. The proposed action will not have long-term negative effects on existing wildlife species and/or wildlife habitat.

9. UNIQUE, ENDANGERED, FRAGILE OR LIMITED ENVIRONMENTAL RESOURCES:

Consider any federally listed threatened or endangered species or habitat identified in the project area. Determine effects to wetlands. Consider Sensitive Species or Species of special concern. Identify cumulative effects to these species and their habitat.

There are no know threatened or endangered species, sensitive habitat types, or other species of special concern associated within the proposed project area. At this time, no known unique, endangered, fragile or limited environmental resources have been identified within the proposed project area.

A review of Natural Heritage data through the NRIS was conducted for T28N, R6W. Species of concern include Hoar Bat, Sprague's Pipit, Golden Eagle, Ferruginous Hawk, Chestnut-collared Longspur, Baird's Sparrow, and Long-billed Curlew. The proposed action is not expected to impact these species.

10. HISTORICAL AND ARCHAEOLOGICAL SITES:

Identify and determine effects to historical, archaeological or paleontological resources.

The DNRC archaeologist conducted a Class III cultural and paleontological resources inventory of the Area of potential effect (APE) on state land. During the course of inventory several stone features (cairns and stone circles) were identified, but none of these are within the project APE. Archaeological sites were flagged and will be avoided by all ground disturbing activities. As such, proposed oil well development activities will have *No Effect* to *Antiquities* as defined under the Montana State Antiquities Act. A formal report of findings will be prepared and filed with the DNRC and the Montana State Historic Preservation Officer.

11. AESTHETICS:

Determine if the project is located on a prominent topographic feature, or may be visible from populated or scenic areas. What level of noise, light or visual change would be produced? Identify cumulative effects to aesthetics.

The proposed action will occur in a remote area and will not cause a large change in the aesthetic character of the land. The access road will be visible from the county road. The main industries in this area are agricultural, grazing, and oil and gas production. Although the proposed well is a wildcat, it is within 1 mile of other producing oil wells.

If a producing well is developed, a small portion of the lands aesthetic character will be changed. Daytime noise levels may slightly increase during the time of the project, but noise levels will return to "normal" (pre-action conditions) after the project is completed. No other changes to the aesthetics character of the land area are expected.

12. DEMANDS ON ENVIRONMENTAL RESOURCES OF LAND, WATER, AIR OR ENERGY:

Determine the amount of limited resources the project would require. Identify other activities nearby that the project would affect. Identify cumulative effects to environmental resources.

The demand on environmental resources such as land, water, air, or energy will not be affected by the proposed action. The proposed action will not consume resources that are limited in the area. There are no other projects in the area that will affect the proposed project.

13. OTHER ENVIRONMENTAL DOCUMENTS PERTINENT TO THE AREA:

List other studies, plans or projects on this tract. Determine cumulative impacts likely to occur as a result of current private, state or federal actions in the analysis area, and from future proposed state actions in the analysis area that are under MEPA review (scoped) or permitting review by any state agency.

The proposed well is a wildcat well located outside of an established oil / gas field. However, the oil and gas industry is well established in the area. There are no other projects or plans being considered on the tract listed on this EA.

IV. IMPACTS ON THE HUMAN POPULATION

- *RESOURCES potentially impacted are listed on the form, followed by common issues that would be considered.*
- *Explain POTENTIAL IMPACTS AND MITIGATIONS following each resource heading.*
- *Enter "NONE" If no impacts are identified or the resource is not present.*

14. HUMAN HEALTH AND SAFETY:

Identify any health and safety risks posed by the project.

The proposed well will not change human safety in the area.

15. INDUSTRIAL, COMMERCIAL AND AGRICULTURE ACTIVITIES AND PRODUCTION:

Identify how the project would add to or alter these activities.

There are several producing oil and gas wells in a 5-mile radius around the proposed well site. The intent of the proponent's action is too locate and move oil for commercial sale. If tests indicate the existence of economically recoverable quantities of oil, the producing well will be established, and extraction will follow. If a producing well is developed, the Common School Trust will receive royalty payments at current market rate for all oil produced by the well. Activities associated with the proposed action will minimally affect the surface use of the land (grazing). A minimal amount of acreage will be taken out of grazing production if a producing well is developed. All actual damages to the surface have been mitigated between the surface lessee and the proponent. The project will not add to or deter from other industrial, commercial, or agricultural activities in the area.

No direct or cumulative impacts are anticipated as a result of the proposal.

16. QUANTITY AND DISTRIBUTION OF EMPLOYMENT:

Estimate the number of jobs the project would create, move or eliminate. Identify cumulative effects to the employment market.

The proposed action will improve employment for well drillers, contractors and generally add to the economy of surrounding communities.

17. LOCAL AND STATE TAX BASE AND TAX REVENUES:

Estimate tax revenue the project would create or eliminate. Identify cumulative effects to taxes and revenue.

The proposed action will add to the tax revenue.

18. DEMAND FOR GOVERNMENT SERVICES:

Estimate increases in traffic and changes to traffic patterns. What changes would be needed to fire protection, police, schools, etc.? Identify cumulative effects of this and other projects on government services

There will be slight increases in traffic, no changes in traffic patterns, and no need for additional fire protection, or police services. There will be no direct or cumulative effects on government services.

19. LOCALLY ADOPTED ENVIRONMENTAL PLANS AND GOALS:

List State, County, City, USFS, BLM, Tribal, and other zoning or management plans, and identify how they would affect this project.

The proposed action is in compliance with State and County laws. No other management plans are in effect for the area.

20. ACCESS TO AND QUALITY OF RECREATIONAL AND WILDERNESS ACTIVITIES:

Identify any wilderness or recreational areas nearby or access routes through this tract. Determine the effects of the project on recreational potential within the tract. Identify cumulative effects to recreational and wilderness activities.

This tract of state land is not legally assessable. It has good recreational values for big game hunting. The proposed action is not expected to impact general recreational use or other activities on this state tract.

21. DENSITY AND DISTRIBUTION OF POPULATION AND HOUSING:

Estimate population changes and additional housing the project would require. Identify cumulative effects to population and housing

The proposal does not include any changes to housing or developments.

No direct or cumulative effects to population or housing are anticipated.

22. SOCIAL STRUCTURES AND MORES:

Identify potential disruption of native or traditional lifestyles or communities.

There are no native, unique or traditional lifestyles or communities in the vicinity that would be impacted by the proposal.

23. CULTURAL UNIQUENESS AND DIVERSITY:

How would the action affect any unique quality of the area?

The proposed action will not impact the cultural uniqueness or diversity of the area.

24. OTHER APPROPRIATE SOCIAL AND ECONOMIC CIRCUMSTANCES:

Estimate the return to the trust. Include appropriate economic analysis. Identify potential future uses for the analysis area other than existing management. Identify cumulative economic and social effects likely to occur as a result of the proposed action.

The proponent has interest in the State of Montana Oil and Gas Lease #OG-43410-17 that is associated with this state land tract. This lease entitles them to reasonable development of oil and gas wells on this tract after DNRC review. The Common School trust will be compensated for all oil removed from producing wells. The surface lessee will receive compensation for actual lease damages.

	Name:	Erik Eneboe	**Date:**	July 29, 2019
	Title:	Conrad Unit Manager, Central Land Office		

V. FINDING

25. ALTERNATIVE SELECTED:

Alternative B (the action alternative) – Grant True Oil LLC permission to drill the oil well and construct an access road to the project area, using the Conrad Unit Office's recommendations to minimize adverse environmental impacts.

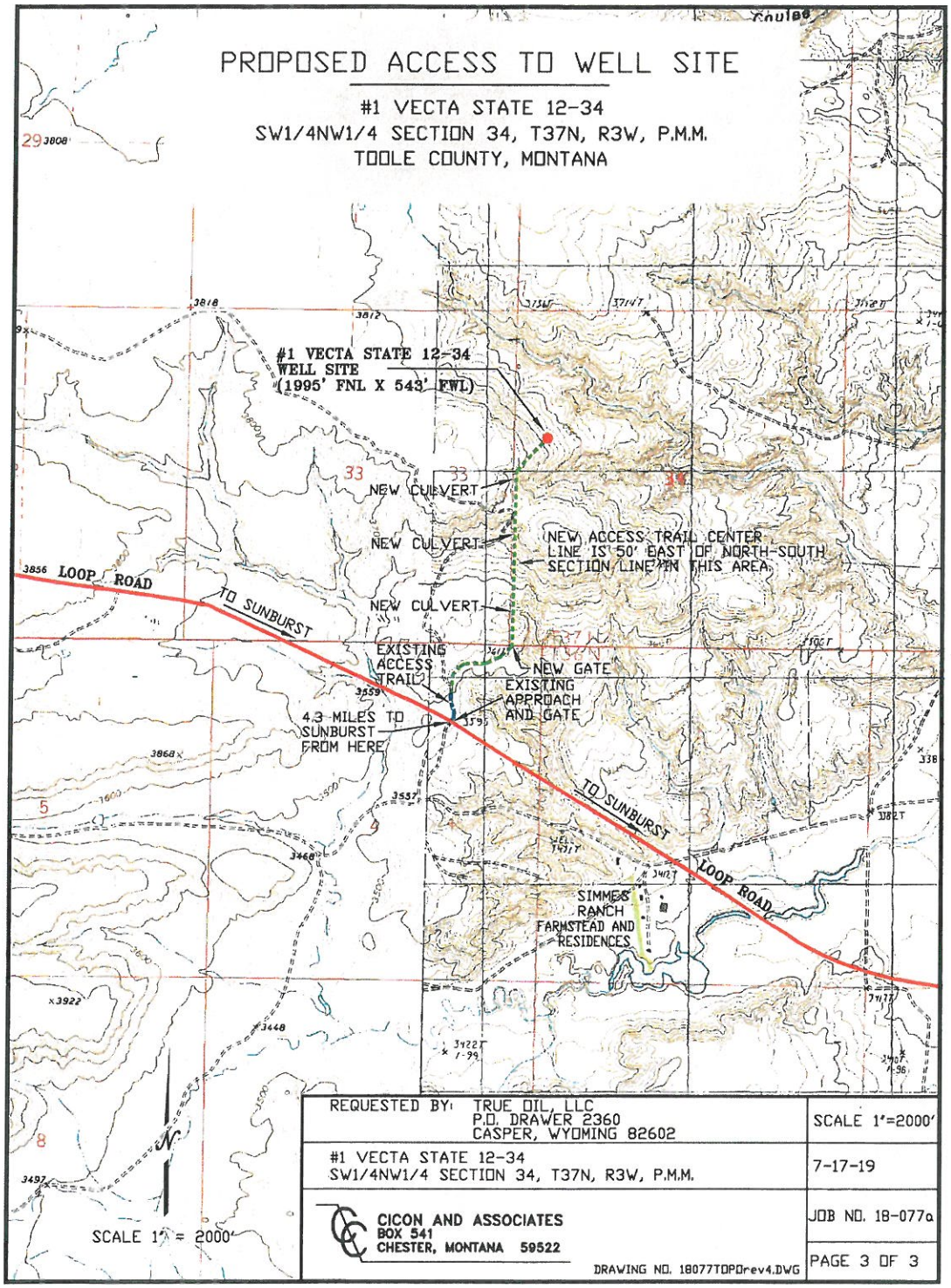
26. SIGNIFICANCE OF POTENTIAL IMPACTS:

Significant impacts are not expected to occur from the installation and operation of the proposed oil well and associated road construction on state land. Erosion control measures, such as silt fence, will be used to minimize soil erosion during drilling. Also, drainage features will be installed on the access road to address erosion concerns. No archaeological sites were observed within the project area. Archaeological sites adjacent to the project area will be avoided. Following drilling operations, all disturbed areas will be re-contoured and seeded to the seed mixture outlined in this EA. If the well is economically viable for oil production, the Common Schools Trust will receive royalty payments. If the well is not developed for production, it will be plugged and abandoned in accordance with BOOG regulations. Other mitigation measures which are common and effective have been incorporated into the proposed action to minimize the potential for environment impact.

27. NEED FOR FURTHER ENVIRONMENTAL ANALYSIS:

[ ]	EIS	[ ]	More Detailed EA	[X]	No Further Analysis

EA Checklist Approved By:	**Name:**	Andy Burgoyne
	Title:	Trust Lands Program Manager, Central Land Office
Signature:		**Date:** 7/29/2019


PROPOSED ACCESS TO WELL SITE
#1 VECTA STATE 12-34
SW1/4NW1/4 SECTION 34, T37N, R3W, P.M.M.
TOOLE COUNTY, MONTANA
#1 VECTA STATE 12-34
WELL SITE
(1995' FNL X 543' FWL)
NEW CULVERT
NEW CULVERT
NEW CULVERT
(NEW ACCESS TRAIL CENTER
LINE IS 50' EAST OF NORTH-SOUTH
SECTION LINE IN THIS AREA)
LOOP ROAD
TO SUNBURST
EXISTING
ACCESS
TRAIL
NEW GATE
EXISTING
APPROACH
AND GATE
4.3 MILES TO
SUNBURST
FROM HERE
TO SUNBURST
LOOP ROAD
SIMMES
RANCH
FARMSTEAD AND
RESIDENCES
SCALE 1" = 2000'
REQUESTED BY: TRUE OIL, LLC
P.O. DRAWER 2360
CASPER, WYOMING 82602
SCALE 1"=2000'
#1 VECTA STATE 12-34
SW1/4NW1/4 SECTION 34, T37N, R3W, P.M.M.
7-17-19
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